

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4047-03
Bill No.: HB 2103
Subject: Boards, Commissions, Committees, Councils; Business and Commerce
Type: Original
Date: March 2, 2010

Bill Summary: This proposal authorizes the Small Business Regulatory Fairness Board to receive additional funding, subject to appropriation, to cover certain costs and hire additional employees to perform specific tasks.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$120,913)	(\$85,551)	(\$88,117)
Total Estimated Net Effect on General Revenue Fund	(\$120,913)	(\$85,551)	(\$88,117)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Small Business Regulatory Fairness	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Small Business Regulatory Fairness	1.5 FTE	1.5 FTE	1.5 FTE
Total Estimated Net Effect on FTE	1.5	1.5	1.5

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State - Business Services (SOS)** state the proposed legislation authorizes \$.50 of the existing business registration fee currently deposited into the General Revenue Fund to be deposited into the Small Business Regulatory Fairness Board. The loss to the General Revenue Fund would be approximately \$160,679 each year; that amount would be deposited into the Small Business Regulatory Fairness Board. The SOS states computer programming will be needed to account for a portion of the business registration fees going into a new revenue fund. SOS stated there were 321,358 business services filings for 2009; therefore, the \$.50 fee would result in \$160,679 ($321,358 \times \0.50) for the fund.

Officials from the **Department of Economic Development (DED)** state the proposed legislation would result in the need for 1.5 FTE. The .5 FTE would be an Office Support Clerical position that would be responsible for basic support functions. The 1.0 FTE would be a Planner II and would assist the board in their duties described under Section 536.300 through 536.310, RSMo including reviewing rules affecting small businesses, facilitating board meetings and public meetings, preparing necessary reports, attending board meetings, etc. There would also be standard costs associated with these FTE. DED assumes an annual cost of roughly \$85,000 - \$90,000 per year.

Oversight assumes DED's estimate of expense and equipment cost for the new FTE could be overstated. If DED is able to use existing desks, file cabinets, chairs, etc., the estimate for equipment for fiscal year 2011 could be reduced by roughly \$11,500.

Officials from the **Office of the Secretary of State - Rules (SOS - Rules)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS - Rules is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS - Rules recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of the State Treasurer** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Loss</u> - Office of the Secretary of State \$.50 of each Business Services filing fees redirected to the Small Business Regulatory Fairness Fund	(\$133,899)	(\$160,679)	(\$160,679)
<u>Costs</u> - Office of the Secretary of State Contract computer programming to make the change	(\$40,000)	\$0	\$0
<u>Transfer In</u> - From the Small Business Regulatory Fairness Board - annual sweep of excess moneys	<u>\$52,986</u>	<u>\$75,128</u>	<u>\$72,562</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$120,913)</u>	<u>(\$85,551)</u>	<u>(\$88,117)</u>
Estimated Net FTE Change for General Revenue	1.5 FTE	1.5 FTE	1.5 FTE
 SMALL BUSINESS REGULATORY FAIRNESS FUND			
<u>Income</u> - from \$.50 from each business registration	\$133,899	\$160,679	\$160,679
<u>Expense</u> - Small Business Regulatory Fairness Board			
Personal Services (1.5 FTE)	(\$42,390)	(\$52,394)	(\$53,965)
Fringe Benefits	(\$22,229)	(\$27,475)	(\$28,299)
Expense and Equipment	<u>(\$16,294)</u>	<u>(\$5,682)</u>	<u>(\$5,853)</u>
<u>Total Expense</u> - DED	(\$80,913)	(\$85,551)	(\$88,117)

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2011 (10 Mo.)	FY 2012	FY 2013
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<u>Transfer Out</u> - into General Revenue			
Per Section 536.312, annually, moneys in the fund shall be swept into GR	<u>(\$52,986)</u>	<u>(\$75,128)</u>	<u>(\$72,562)</u>

ESTIMATED NET EFFECT TO THE SMALL BUSINESS REGULATORY FAIRNESS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires 50 cents from each business registration fee collected by the Secretary of State to be deposited into the newly created Small Business Regulatory Fairness Fund and, subject to appropriations, used by the Small Business Regulatory Fairness Board to hire 1.5 full-time equivalent employees to perform certain specified clerical and professional tasks and to provide additional funding for certain board-related costs.

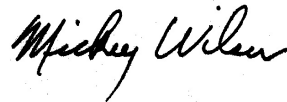
Requests or recommendations generated by the board to any state agency, board, or commission must be responded to within 60 days of the request or recommendation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Office of the Secretary of State

NOT RESPONDING:
Office of the State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 2, 2010